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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re
LITIGATION PRACTICE GROUP, P.C.,
Debtor.

Case No. 8:23-bk-10571-SC

Chapter 11

**MORNING LAW GROUP'S STATUS
REPORT RE CURE NOTICE AND
REQUEST FOR MODIFICATION OF
SERVICE DATE OF SAME SET FORTH
IN SALE ORDER; DECLARATION OF
JOSHUA ARMSTRONG**

Date: September 27, 2023
Time: 1:30 p.m.
Crtrm.: 9C
411 West Fourth Street
Santa Ana, CA 92701

[or Via ZoomGov]

**TO THE HONORABLE SCOTT CLARKSON, UNITED STATES BANKRUPTCY
JUDGE, AND INTERESTED PARTIES:**

Morning Law Group, P.C. ("MLG") is the Buyer of certain assets of the Debtor pursuant to
this Court's Sale Order dated August 2, 2023 (doc. no. 352)¹.

After consulting with the Trustee and the Monitor, including discussing with them the
contents of this report, MLG hereby reports to the Court, as follows:

¹ Unless otherwise stated, defined terms are the same as in the Sale Order.

1 1. Pursuant to the Sale Order, within seven days after entry of the Sale Order a 90-day
2 Notice to Consumers and Cure Notice was required to be served on all counterparties to executory
3 contracts and unexpired leases that may potentially be assumed by the Trustee and assigned to
4 Buyer. Doc. no. 352 at ¶¶14 and 20(i).

5 2. MLG prepared the 90-day Notice to Consumers. The document was reviewed,
6 modified and approved by the Monitor. That notice was sent via email, as authorized by the Sale
7 Order, to 85,449 consumer clients of the Debtor on or about August 16, 2023. Attached is a copy
8 of such notice. The Trustee filed a proof of service of the same document at docket no. 403.

9 3. To ensure compliance with ethics rules, it is a multi-step process to Opt-In/Opt-Out,
10 and the process has been accepted by the Monitor.

11 4. If MLG receives notice of a client's interest to Opt-Out, such Opt-Out is
12 immediately noted in the system so no further payments are processed. MLG then confirms the
13 Opt-Out, including seeking signed confirmation that clients have been informed of the effects of
14 Opting-Out and acknowledging that the representation is terminated and advising those clients of
15 their rights to obtain the client file.

16 5. For Opt-Ins, MLG provides an immediate acknowledgement email and notes the
17 Opt-In in the system. MLG then sends the clients the Form of Legal Services Agreement ("LSA")
18 for them to review and, if necessary, seek independent advice of counsel before signing the client-
19 specific LSA, which includes the clients' specific payment information and authorization. The
20 Form of LSA has been reviewed, edited and approved by the Monitor.

21 6. Resolution Processing assists MLG with communications with clients and with
22 keeping track of such communications.

23 7. Given the large number of consumer clients and the ethical obligations of MLG, for
24 which MLG had multiple conversations with the Monitor to ensure compliance, MLG (and
25 correspondingly the Trustee) was not able to complete all the notice obligations with respect to the
26 consumer clients in the initial seven days contemplated in the Sale Order, despite acting
27 expeditiously. However, all notices were sent by August 16, 2023.

1 8. Regarding the Cure Notice, the Sale Order required service of the Cure Notice
2 within seven days after the entry of the Sale Order. However, that was not possible because, before
3 the Trustee can give notice of the cure amount for an assumed contract, MLG and the Trustee must
4 know whether the consumers have Opted In or Opted Out (both are defined terms in the 90-Day
5 Notice to Consumers). Only if the consumers complete the Opt-In process described above can
6 such notice be given. Thus, the issue of the Cure Notice's timing has developed into a multi-tiered
7 process that is taking more time because of MLG's careful communication with consumers. MLG
8 has been working collaboratively with the Monitor and the Trustee to make sure that this entire
9 process is done properly, and the process must take additional time. Based on input from the
10 Monitor and the Trustee, MLG therefore requests that the Sale Order be modified so that the Cure
11 Notice be sent in tranches as the consumers Opt In while an independent rejection notice be sent
12 timely to consumers who Opt Out, in order to avoid confusion that might have been caused if the
13 process were to be more rushed. Thus, MLG requests that the Sale Order be modified as follows:

14 The Sale Order, at paragraph 14, is hereby modified to authorize the service of the
15 Cure Notice in two tranches, the first on the 45th day after service of the 90-day
16 notice; and the second on the 91st day after service of the 90-day notice. The
 deadline to serve rejection notices to such consumers is not altered, and remains the
 110th day after service of the 90-day notice.

17 9. MLG hopes that this status report demonstrates that MLG (in conjunction with the
18 Trustee and the Monitor) is working diligently in a manner consistent with the Sale Order and in a
19 collaborative and overall successful manner with the Monitor and the Trustee.

20 10. MLG is informed that the Trustee is handling the requisite notice involving ordinary
21 business executory contracts, and MLG is in regular communication with the Trustee in connection
22 with that process.

23 11. MLG received the following statement from the Monitor on August 23, 2023, and
24 the Monitor authorized MLG to submit this statement to the Court:

25 I've reviewed both the 90-day notice and the LSA, and I have been impressed by
26 MLG's willingness to work with me AND to always err on the very safe side of
27 doing what's right for clients. MLG rewrote the agreements to make them
 understandable by non-law-trained people, and it has taken great pains to make sure
 that it stays far, far away from the "we will repair your credit" side of the house.

1 12. MLG will continue to work in good faith, on a cooperative basis, with the Trustee
2 and the Monitor to comply with MLG's obligations under the Sale Order.

3
4 DATED: August 29, 2023

DANNING, GILL, ISRAEL & KRASNOFF, LLP

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6 By:



7 ZEV SHECHTMAN

8 Attorneys for Morning Law Group, P.C.
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DECLARATION OF JOSHUA ARMSTRONG

I, Joshua Armstrong, declare as follows:

1. I am the managing shareholder of Morning Law Group, P.C.. I have personal knowledge of the facts set forth herein, except as to those stated on information and belief and, as to those, I am informed and believe them to be true. If called as a witness, I could and would competently testify to the matters stated herein. I make this declaration in support of Morning Law Group's Status Report Re Notice of Cure.

2. I have read and approved the above status report.

3. All of the statements in the above status report are true and correct and based on my personal knowledge.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 28th day of August, 2023, at Irvine, California.


Joshua Armstrong

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 1901 Avenue of the Stars, Suite 450, Los Angeles, CA 90067-6006.

A true and correct copy of the foregoing document entitled (*specify*): MORNING LAW GROUP'S STATUS REPORT RE CURE NOTICE AND REQUEST FOR MODIFICATION OF SERVICE DATE OF SAME SET FORTH IN SALE ORDER; DECLARATION OF JOSHUA ARMSTRONG will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) August 29, 2023 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL:

On (*date*) August 29, 2023, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

The Honorable Scott C. Clarkson
U.S. Bankruptcy Court
Ronald Reagan Federal Building
411 W. Fourth Street, Suite 5130
Santa Ana, CA 92701

☐ Service information continued on attached page.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

August 29, 2023

Date

Patricia Morris

Printed Name

/s/ Patricia Morris

Signature

ADDITIONAL SERVICE INFORMATION (if needed):

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

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